

Message Text

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SUBJECT: SCOTSMAN QUESTIONS RE SECRETARY'S CHICAGO SPEECH

IN VIEW OF THE CONSIDERABLE INTEREST HERE IN SECRETARY KISSINGER'S CHICAGO SPEECH ON OIL AND THE "IMPORTANT IMPLICATIONS FOR THE DEVELOPMENT OF NORTH SEA OIL PRODUCTION", THE SCOTSMAN EDITOR ASKS THE FOLLOWING QUESTIONS OF THE SECRETARY THE ANSWER TO WHICH WOULD BE "PUBLISHED IN FULL":

1. WHAT PART DOES THE DEVELOPMENT OF OIL RESERVES IN THE NORTH SEA PLAY IN YOUR PROPOSALS FOR A JOINT ENERGY STRATEGY BY THE U.S., WESTERN EUROPE AND JAPAN?
2. ARE YOU CONCERNED THAT THE U.K. GOVERNMENT, WHO HAVE CONTROL OVER THE MAJOR PROPORTION OF THE RESERVE, MIGHT DECIDE TO RESTRICT THE RATE OF OUTPUT?
3. DO YOU BELIEVE AID FROM THE COMMON LOAN AND GUARANTEE FUND YOU PROPOSE SHOULD BE CONDITIONAL ON THE U.K. MAKING AVAILABLE SUPPLIES OF NORTH SEA OIL TO OTHER MEMBER STATES?
4. TO WHAT EXTENT DOES THE UNITED STATES LOOK TO THE NORTH SEA AS A SHORT-TERM SOURCE OF OIL SUPPLIES TO REPLACE IMPORTS FROM THE MIDDLE EAST?
5. DO YOU FEEL IT IS ESSENTIAL THAT NORWAY SHOULD PARTICIPATE

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IN THE COORDINATED ACTION INSTEAD OF MAINTAINING THE PRESENT

POLICY OF SLOW OIL EXPLOITATION TO PROTECT NORWEGIAN SOCIETY AND ECONOMY FROM THE EFFECTS OF TOO RAPID GROWTH?

6. IN VIEW OF YOUR WARNING ON FURTHER PRICE RISES TO PRESENT OIL PRODUCING COUNTRIES, DO YOU BELIEVE THAT SUPPLIES FROM THE NORTH SEA SHOULD BE SOLD TO PARTNERS IN AN INTERNATIONAL ENERGY PACT A PRICE RELATED TO EXTRACTION COST AND A REASONABLE RETURN ON INVESTMENT RATHER THAN AT WORLD VALUES INFLUENCED BY THE PRICING POLICIES OF MEMBERS OF THE ORGANIZATION OF PETROLEUM EXPORTING COUNTRIES?

7. ARE YOU WORRIED ABOUT THE INFLOW INTO BRITAIN OF FUNDS FROM THE ARAB COUNTRIES WHICH COULD BE DIRECTLY OR INDIRECTLY USED FOR INVESTMENT IN NORTH SEA OIL PRODUCTION?

8. SHOULD THE U.K. GOVERNMENT NOT BE PREPARED TO SUBSCRIBE TO THE PACT YOU PROPOSE, SHOULD THE UNITED STATES CONSIDER WITHDRAWING U.S. EXPERTISE AND EXPLORATION RIGS FROM THE NORTH SEA OPERATIONS?

9. WILL THE NEW OFFSHORE LEASING PROPOSAL BY YOUR GOVERNMENT, THE REPORTED SHORTAGE OF RIGS IN THE GULF OF MEXICO AND THE DEVELOPMENT OF OFFSHORE EXPLORATION IN OTHER PARTS OF THE WORLD NOT ATTRACT U.S. COMPANIES ATTENTION AWAY FROM THE NORTH SEA ANYWAY?

10. COULD BRITISH GOVERNMENT PROPOSALS TO MAKE MAJORITY STATE PARTICIPATION IN OIL PRODUCTION SCHEMES MAKE THE NORTH SEA A LESS ATTRACTIVE PROPOSITION FOR U.S. OIL COMPANIES?

1. 11. WHAT EFFORTS ARE BEING MADE TO INCREASE UNITED STATES DOMESTIC OIL PRODUCTION AND COULD SUCCESS IN THIS DIRECTION REDUCE U.S. INTEREST IN THE NORTH SEA AND OTHER OIL PRODUCING PROVINCES?

12. WHAT JUSTIFICATION IS THERE FOR EXPECTING A EUROPEAN NATION WITH INDIGENOUS OIL RESOURCES TO REDUCE HOME OIL CONSUMPTION TO THE SAME EXTENT AS OTHER COUNTRIES?

13. IN VIEW OF THE GROWING SCOTTISH DEVOLUTIONARY MOVEMENT, HOW WOULD YOU VIEW THE PROSPECT OF A SCOTTISH GOVERNMENT GAINING CONTROL OVER THE LARGE PROVEN NORTH SEA OIL RESERVES
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NORTH OF THE 56TH PARALLEL?

14. WOULD YOU EXPECT A NEW SCOTTISH GOVERNMENT, REPRESENTING A COUNTRY WHICH IN THE PAST HAS ENJOYED LESS FAVORABLE ECONOMIC CIRCUMSTANCES THAN MOST OTHER INDUSTRIALISED NATIONS TO HONOR ANY INTERNATIONAL OBLIGATION TAKING ON BY A U.K. REGIME?

15. WHAT TYPE OF BI-LATERAL TRADING ARRANGEMENTS WOULD YOU

ENVISAGE DEVELOPING BETWEEN AN INDEPENDENT SCOTLAND OUTSIDE THE
E.E.C. AND THE UNITED STATES?

CONGEN COMMENT FOLLOWS SEPARATELY.
FUNKHAUSER

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